**INTRODUCTION**

As Mahalia has mentioned on the bi-weekly calls, we are ready to begin the negotiation process for the AEL Participants Served Targets. As was the case last year, we are negotiating targets for Total Participants (12+ Hours, unduplicate students) and 4 subpopulations/programs:

1) EL Civics (ELC)

2) Integrated Education and Training EL Civics (ELC-IET)

3) Intensive Services (Intensive)

4) Non-EL Civics Integrated Education and Training (non-ELC-IET)

If you have a problem with the tool (i.e. it doesn’t work) please reply to me at Adam.Leonard@TWC.state.tx.us.

If everything works, please review our proposals, follow the instructions and then send a copy of the filled out target tool to [Freda.Jackson@TWC.state.tx.us](mailto:Freda.Jackson@TWC.state.tx.us), copy your assigned Program Specialist and Mahalia Baldini. Freda will consolidate responses and then the Division of Operational Insight (DOI) staff who work with the AEL data will meet with Mahalia and AEL/WDD leadership to review any counter proposals and work to finalize recommendations.

**DIFFERENT TIMES, DIFFERENT ASSUMPTIONS**

There are many similarities to the target setting process from last year but also a few differences which will be highlighted below. The tool itself is identical but updated with new allocations amounts and some adjusted assumptions around costs and case mix outlined below.

1. The Legislature/Governor approve Participant Served targets based on an assumed set of costs and mix of Participants between Basic, Intensive, and IET programs which were set during the 2019 Legislative Session. However, in preparation to the upcoming 2021 session, TWC reexamined the AEL programs and some of our assumptions and goals.
   1. We have been monitoring AEL Training Expenditures (i.e. grantee spending on Training vs. education) and found that our original assumptions for how much extra we should assume that Intensive and Integrated Education and Training cost compared to a purely traditional AEL education (i.e., what we refer to as “Basic”).
   2. Our dialogue with you at statewide leadership meetings and in various calls and other forums, caused us to reconsider the quality/quantity balance in earlier program goals.
   3. The COVID-19 pandemic created a unique opportunity for the system and you to rethink the program and the priorities to try to emphasize quality both in terms of program offerings and in terms of program administration and data gathering (not everyone has an SSN but we need to attempt to record it for anybody we serve who does in order to improve reportable outcomes), to be able to more evaluate the impact that the program has on our students. It creates the opportunity because there is lower demand, because it has accelerated distance learning development (tools and teaching techniques) and there a lot more people who could benefit from AEL program participation who currently are not working and who can thus perhaps concentrate more on program participation.

What you will see is that TWC has made several changes in our approach to targets setting for PY20 that provide more money for improving quality and providing space to improve engagement and outcomes. We laid out this new vision through our Legislative Appropriation request which assumes Basically, TWC is proposing that grantees serve under fewer students at a higher cost per student (29% higher) than what was previously approved by the Legislature/Governor in order to support these program improvement goals.

1. The second major change we have made in target setting this year is that for PY20 we are recommending that we NOT assign targets to carryforward funds. This envisioned as a short-term change that would provide still more flexibility to grantees to adjust their programs to the new conditions under which we operation and to improve the outcomes we help our students achieve. Nobody knows what the future will bring when COVID-19 is under control, but what we can assume is that things won’t go back to “2019 normal.” Some of what we do to adjust to COVID19 – like increased distance learning and modified assessment methodologies will like continue to be used because for some people, they will work better or provide more flexibility that they need to remain engaged in the program.

The waiving of “carryforward targets” this year is a short-term shift in strategy that will not become permanent. That is, in the future, we will revert back to applying targets on unspent amounts from the prior year except in those instances where grantee met performance requirements without spending all of their money (which is how we applied this policy in prior years).

1. Finally, we have reset expectations around the ELC-Basic and ELC-IET ratio. For many years, we have set the 2 numbers initially as equal (half basic, half IET). This year we are making our proposals such that ELC-IET is a lower percentage of overall ELC in order to provide more flexibility and to ensure that access to IET is consistent across the ELC and non-ELC programs. As always, you will be able to propose alternative targets that change these ratios during the negotiation process described below.

**NEGOTIATION PROCESS/TOOL**

1. TWC’s Finance Division prepares a set of allocation recommendations for each grantee based on a standard funding formula
   1. There are assumed subsets of funding in there such as Performance Based Funding (PBF) and Professional Development Funding (PDF). We have also continued accounting for “Administrative” expenses – a feature introduced for the first time last year. These amounts are all “carved out” of the target setting.
   2. The key amounts for target setting are:
      1. Total AEL-ELC funds to be “allocated to targets” (basically total allocation minus the PBF, PDF, and Admin)
      2. Total Allocated to EL Civics Targets (the feds give us a specific state allocation for this that we have to ensure is spent on EL Civics you can spend more on ELC but you can’t spend ELC funding on non-ELC services
      3. Amount “Allocated to Career Advancement Targets” – this is represents roughly how much money we expect to be needed to meet the program/participant mix that went into the approved statewide Participants Served targets
2. The Commission approves the allocations.
3. DOI develops a set of initial target proposals for each grantee based on the above and works with AEL/WDD to ensure that the model meets their goals and priorities for the program which is then documented in an Excel tool
4. As last year, the negotiation tool displays our proposed targets for the new year and offers you the chance to request changes. The tool has built error checking and feedback on grantee counter proposals.
5. Open the Tool and select yourself in cell A3 on the 1st Tab (Negotiations)
   1. Review the TWC proposals on row 9
   2. Row 10 defaults to match TWC’s proposals
      1. If you like the TWC proposed targets, you can just send the tool back in saying you accept the proposals.
      2. If you want to submit alternate targets, you can do so by:
         1. Focusing on the numbers you want to serve in ELC (col B), ELC-IET (col C), Intensive (col F), and non-ELC-IET (col H) on row 10 and the tool will automatically calculate the amount of money left over to serve customers in Basic AEL (col K) and will add it all up for the Total Participants Target (col L).
         2. If you enter numbers that upset the balance too much (such as proposal all students be served in the Intensive or Basic programs), cells D11, F11, H11, I11, and/or L11 will light up with a message explaining there is an error and what you to do about it.
6. When you are done, submit your negotiation tool back to [Freda.Jackson@TWC.state.tx.us](mailto:Freda.Jackson@TWC.state.tx.us).
   1. **If the file you submit back to us shows no errors** you can assume that there is a 99+% chance it will be approved. Final approval from the Commission will not happen until later in September but we will let you know that we plan to recommend approval of your proposal.
   2. If the file you submit back shows errors of some kind (meaning that you are proposing targets outside the expected negotiation parameters, in addition to sending it to Freda, you need to send it [Mahalia.Baldini@TWC.state.tx.us](mailto:Mahalia.Baldini@TWC.state.tx.us)and [Adam.Leonard@TWC.state.tx.us](mailto:Adam.Leonard@TWC.state.tx.us). This submission has to be accompanied by a narrative with provides a justification for submitting target proposals outside of the expected ranges
      1. It is possible that we might approve such a proposal if:
         1. It is supported by the request narrative; AND
         2. We find that your proposal which combined with everybody else’s will let the system meet our overall expectations.
      2. Otherwise we might have to contact you to discuss.

**COUNTY-LEVEL DATA**

Your total allocations are actually made up of mini county-level allocations and those allocations are based on things like the number of adults without HS diplomas in the county. Last year we added a County Level Allocation tab into the tool to help you see how total funding is determined. We also added another tab called “Service Levels by County” which takes your proposed targets (whatever they are) and proportionately breaks them out by county based on the percent of funding coming from that county. Both of these tabs are included again.

I want to emphasize that **we don’t necessarily expect that a grantee would serve in perfect proportion to their allocations.** For example, if you serve 3 counties and 20% of your money comes from county A, we don’t necessarily expect 20% of those served to come from that county. That said, we probably shouldn’t see only 2% coming from that county, right?

To be clear, we are setting targets at the grantee/area level (think grantee ID in TEAMS for those of you grantees operating in multiple Board areas). We are not setting subtargets for each county. We’re not going to publish “meeting/not meeting” data by county. These tabs are INFORMATIONAL ONLY.

**OTHER TARGETS**

In addition to the Participant targets which we negotiate, TWC is setting 4 additional outcome targets as we did last year. The targets for the “exit-based” outcome measures are based on recent reevaluation of performance as a result of the pandemic as part of our agency’s Legislative Appropriation Request from October.

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| --- | --- |
| **AEL** | **PY20 from LAR** |
| Employed/Enrolled Q2 Post-Exit | 34.00% |
| Employed/Enrolled Q2-Q4 Post-Exit | 79.70% |
| Credential Rate | 39.00% |

The last target is related to Measurable Skills Gain and the target for this measure is a weighted average of the 12 EFL subtargets we negotiated with the U.S. Department of Education. In order to simplify our approach on this, we are not setting separate targets for the 1st nine months of the year and then another (lower) set for the last 3 months. While this approach had some theoretical benefits, we did not think the additional complexity had a justifiably significant impact on performance. This simplifies performance monitoring. While Grantees are each held responsible for overall Measurable Skills Gain performance made up of the weighted average of the subtargets which means that the target moves as enrollment changes, if a Grantee meets each of the 12 subtargets, the target will meet for the year.

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| **EFL Level** | **SubTarget** |
| ABE1 | 39.0% |
| ABE2 | 38.0% |
| ABE3 | 38.0% |
| ABE4 | 40.0% |
| ABE5 | 43.0% |
| ABE6 | 34.0% |
| ESL1 | 45.0% |
| ESL2 | 49.0% |
| ESL3 | 53.0% |
| ESL4 | 54.0% |
| ESL5 | 42.0% |
| ESL6 | 43.0% |